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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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SECRET
SECURITY INFORMATION

COUNTRY	East Germany	REPORT NO.	25X1A
SUBJECT	Cuts in Investment Planning for the State Secretariat for Chemistry	DATE DISTR.	2 November 1953
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		REFERENCES	

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
(FOR KEY SEE REVERSE)

SOURCE:

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- Source stated that the investments of the State Secretariat for Chemistry scheduled for 1953, which had already been decreased from 420,000,000 to 315,000,000 eastmarks in February 1953, were again reduced to 210,000,000 eastmarks upon the decision of the East German Cabinet Council, on 11 June 1953. The funds saved were to be used to raise the standard of living of the population. A total of 2,000,000,000 eastmarks was allegedly scheduled to be saved from investment funds earmarked for industries and the VP. These were to be made available to cover civilian demands.
- Since 14 June 1953, Werner Bollerey, Chief of the Investment Department of the State Secretariat for Chemistry, has had numerous conferences with Lucie Hess of the Chemistry Section of the State Planning Commission, as well as with officials of the State Administration for Material Procurement, in an effort to cancel some of the items in the 1953 plan for the State Secretariat for Chemistry, thereby making the allotted investment funds available to the civilian population. Source stated that it was a fallacy to believe that by cancelling some large projects, the material requirements of the chemical plants could be filled, since the material requirements for the cancelled investments had never been covered in the first place. The cuts mainly affected plants of heavy chemistry.²
- The conference resulted in the preliminary decision to cancel the 1953 investments amounting to 18,000,000 eastmarks for plants of the Elektrochemisches Kombinat Bitterfeld, including magnesium electrolytical plants; 600,000 eastmarks for ferroalloy producing plants; 1,400,000 eastmarks for the chlorate producing plant; and 20,000,000 eastmarks for the Sodafabrik at Bernburg, and for the gypsum sulphuric acid plant at the Schwefelsaeure- und Superphosphatwerk, Coswig. Work on these projects was to be stopped immediately or completed without delay. Completed sections were to be left in

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5. The conference showed an unclear situation regarding cuts in investment planning for the chemical industry. Source expected that definite decisions would be made in July.

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1. [REDACTED] Comment: Possibly the East German Cabinet for Coordination and Control is meant.

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2. [REDACTED] Comment: Schwer-Chemie.